

**SAUK COUNTY**

Baraboo, Wisconsin

REPORT ON FEDERAL AND  
STATE AWARDS

For the Year Ended December 31, 2007

# SAUK COUNTY

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the County Board of Supervisors  
Sauk County  
Baraboo, Wisconsin

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Sauk County, Wisconsin as of and for the year ended December 31, 2007, which collectively comprise Sauk County's basic financial statements and have issued our report thereon dated July 30, 2008. Our report was modified to include a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Sauk County Housing Authority, a component unit of Sauk County, as described in our report on Sauk County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters reported on separately by those auditors.

***Internal Control Over Financial Reporting***

In planning and performing our audit, we considered Sauk County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Sauk County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Sauk County's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

To the County Board of Supervisors  
Sauk County

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Sauk County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Sauk County's financial statements that is more than inconsequential will not be prevented or detected by Sauk County's internal control over financial reporting. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting. These deficiencies are items 07-1 and 07-2.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Sauk County's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we consider items 07-1 and 07-2 to be material weaknesses.

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether Sauk County's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of Sauk County in a separate letter dated July 30, 2008.

Sauk County's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Sauk County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of Sauk County's management, others within the entity, federal and state awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

*Virchow, Krause & Company, LLP*

Madison, Wisconsin  
July 30, 2008



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM  
AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH  
OMB CIRCULAR A-133 AND THE STATE SINGLE AUDIT GUIDELINES AND THE  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

To the County Board of Supervisors  
Sauk County  
Baraboo, Wisconsin

**Compliance**

We have audited the compliance of Sauk County, Wisconsin with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *State Single Audit Guidelines* that are applicable to each of its major federal and major state programs for the year ended December 31, 2007. Sauk County's major federal and major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and major state programs is the responsibility of Sauk County's management. Our responsibility is to express an opinion on Sauk County's compliance based on our audit.

Sauk County's basic financial statements included the operation of the Sauk County Housing Authority, which received \$1,201,326 of federal and state awards which are not included in the schedule of expenditures of federal and state awards for the year ended December 31, 2007. Our audit, described below, did not include the operations of the Sauk County Housing Authority because the component unit had a separate audit in accordance with OMB Circular A-133.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the *State Single Audit Guidelines*. Those standards, OMB Circular A-133 and the *State Single Audit Guidelines* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or major state program occurred. An audit includes examining, on a test basis, evidence about Sauk County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Sauk County's compliance with those requirements.

To the County Board of Supervisors  
Sauk County

In our opinion, Sauk County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and major state programs for the year ended December 31, 2007.

***Internal Control Over Compliance***

The management of Sauk County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered Sauk County's internal control over compliance with requirements that could have a direct and material effect on a major federal or major state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Sauk County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified a deficiency in internal control over compliance that we consider to be a significant deficiency.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A significant deficiency is a control deficiencies, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal or state program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal or state program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 07-3 to be a significant deficiency.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented or detected by the entity's internal control. We consider the significant deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 07-3 to be a material weakness.

To the County Board of Supervisors  
Sauk County

***Schedule of Expenditures of Federal and State Awards***

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Sauk County, Wisconsin as of and for the year ended December 31, 2007, which collectively comprise Sauk County's basic financial statements and have issued our report thereon dated July 30, 2008. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise Sauk County's basic financial statements. Our report was modified to include a reference to other auditors who audited the financial statements of the Sauk County Housing Authority, a component unit of Sauk County. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by OMB Circular A-133 and the *State Single Audit Guidelines* and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Sauk County's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Sauk County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of Sauk County's management, others within the entity, federal and state awarding agencies, and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

*Virchow, Kraus & Company, LLP*

Madison, Wisconsin  
September 22, 2008, except for the schedule of  
expenditures of federal and state awards, as to  
which the date is July 30, 2008

**SAUK COUNTY**

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
For the Year Ended December 31, 2007

Grantor Agency / Pass-Through Agency/ Program Title	Federal CFDA Number	Revenues			Total Revenues	Expend- itures
		(Accrued) Deferred Beginning Balance	Cash Received (Refunded)	Accrued (Deferred) Ending Balance		
<b>FEDERAL PROGRAMS</b>						
<b>U. S. Department of Agriculture</b>						
Passed through Wisconsin Department of Health and Family Services	10.557	\$ -	\$ 209,665	\$ -	\$ 209,665	\$ 209,665
Special Supplemental Food Program for Women, Infants, and Children	10.561	-	111,679	-	111,679	111,679
State Administration Matching Grants for Food Stamp Program						
Passed through Wisconsin Department of Workforce Development	10.561	-	30,857	-	30,857	30,857
State Administration Matching Grants for Food Stamp Program		-	352,201	-	352,201	352,201
Total U.S. Department of Agriculture			186,000		186,000	186,000
<b>U.S. Department of Housing and Urban Development</b>						
Passed Through Wisconsin Department of Commerce Community Development Block Grant/State's Program	14.228	-	186,000	-	186,000	186,000
<b>U. S. Department of Justice</b>						
Passed Through Wisconsin Department of Administration - Office of Justice Assistance	16.579	(1,420)	1,420	1,616	1,616	1,616
Drug Control and System Improvement Formula Grant	16.595	-	1,116	-	1,116	1,116
Cease Grant		(1,420)	2,536	1,616	2,732	2,732
Total U.S. Department of Justice						
<b>U.S. Department of Transportation</b>						
Passed Through Wisconsin Department of Transportation	20.600	-	55,598	-	55,598	55,598
State and Community Highway Safety: Speedwave						

See accompanying notes to schedule of expenditures of federal and state awards.

**SAUK COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
For the Year Ended December 31, 2007

Grantor Agency / Pass-Through Agency/ Program Title	Federal CFDA Number	(Accrued) Deferred Beginning Balance	Revenues		Total Revenues	Expend- itures
			Cash Received (Refunded)	Accrued (Deferred) Ending Balance		
<b>FEDERAL PROGRAMS (cont.)</b>						
<b>U.S. Department of Treasury</b>						
Direct Assistance						
Federal Drug Forfeitures	21.xxx	\$ -	\$ 63,073	\$ -	\$ 63,073	\$ 63,073
<b>U.S. Department of Education</b>						
Passed Through Wisconsin Department of Health and Family Services	84.181	-	64,516	-	64,516	64,516
Birth to Three						
<b>U.S. Environmental Protection Agency</b>						
Passed through Wisconsin Department of Health and Family Services	66.032	-	7,795	-	7,795	7,795
Indoor Radon Contract Service						
<b>U. S. Department of Health and Human Services</b>						
Passed through Wisconsin Department of Health and Family Services	93.069	-	34,107	-	34,107	34,107
Public Health Emergency Preparedness	93.197	-	1,848	-	1,848	1,848
Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Immunization Grants	93.268	-	44,348	-	44,348	44,348
Investigations and Technical Assistance	93.283	-	68,224	-	68,224	68,224
Family Preservation - Support	93.556	-	54,563	-	54,563	54,563
Block Grants for Temporary Assistance for Needy Families	93.558	-	128,019	-	128,019	128,019
Chafee Education and Training Vouchers Program	93.599	-	3,261	-	3,261	3,261

See accompanying notes to schedule of expenditures of federal and state awards.

**SAUK COUNTY**

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
For the Year Ended December 31, 2007

Grantor Agency / Pass-Through Agency/ Program Title	Federal CFDA Number	Revenues				Total Revenues	Expend- itures
		(Accrued) Deferred Beginning Balance	Cash Received (Refunded)	Accrued (Deferred) Ending Balance			
<b>FEDERAL PROGRAMS (cont.)</b>							
<b>U. S. Department of Health and Human Services (cont.)</b>							
Child Welfare Service Grants - State Grants	93.645	\$ -	\$ 32,005	\$ -	\$ 32,005	\$ 32,005	
Foster Care - Title IV-E	93.658	-	272,444	-	272,444	272,444	
Social Services Block Grant	93.667	-	256,037	-	256,037	256,037	
Chafee Foster Care Independence Living	93.674	-	18,095	-	18,095	18,095	
State Children's Insurance Program	93.767	-	23,501	-	23,501	23,501	
Medical Assistance Program	93.778	-	5,413,567	-	5,413,567	5,413,567	
Wisconsin Medicaid Cost Reporting	93.778	(900,325)	1,130,111	-	229,786	229,786	
Block Grants for Community Mental Health Services	93.958	-	66,534	-	66,534	66,534	
Block Grants for Prevention and Treatment of Substance Abuse	93.959	-	37,406	-	37,406	37,406	
Preventive Health and Health Services Block Grant	93.991	-	19,754	-	19,754	19,754	
Maternal and Child Health Services Block Grant	93.994	-	21,764	-	21,764	21,764	
Passed Through AgeAdvantage Special Programs for the Aging Aging Cluster							
Title III, Part B - Grants for Supportive Services	93.044	(8,509)	61,302	7,380	60,173	60,173	
Title III, Part C-1 - Congregate Meals	93.045	-	52,324	2,643	54,967	54,967	
Title III, Part C-2 - Home Meals	93.045	-	34,199	-	34,199	34,199	
Title III, Part E - National Family Caregiver Support	93.045	-	26,282	2,506	28,788	28,788	
Title III, Part D - In-Home Services	93.045	-	4,212	702	4,914	4,914	
NISP (USDA) Cash	93.053	(3,407)	31,006	-	27,599	27,599	
Total Aging Cluster		(11,916)	209,325	13,231	210,640	210,640	
Title III, Part F - Preventive Health	93.043	(400)	400	-	-	-	
T3 National Caregiver Support Program	93.052	(7,420)	7,420	-	-	-	
State Pharmaceutical Assistance Programs	93.786	(1,731)	1,731	-	-	-	

See accompanying notes to schedule of expenditures of federal and state awards.

**SAUK COUNTY**

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
For the Year Ended December 31, 2007

Grantor Agency / Pass-Through Agency/ Program Title	Federal CFDA Number	(Accrued) Deferred Beginning Balance	Revenues			Total Revenues	Expend- itures
			Cash Received (Refunded)	Accrued (Deferred) Ending Balance			
<b>FEDERAL PROGRAMS (cont.)</b>							
<b>U. S. Department of Health and Human Services (cont.)</b>							
Passed Through Wisconsin Department of Workforce Development							
Block Grants for Temporary Assistance for Needy Families	93.558	\$ -	\$ 54,124	\$ -	\$ 54,124	\$ 54,124	
Child Support Enforcement - Medical Support Liability Incentive Even FFY	93.563	-	7,783	-	7,783	7,783	
Child Support Enforcement - Medical Support Liability Incentive Odd FFY	93.563	-	40,572	-	40,572	40,572	
Child Support Enforcement - Medical Support Liability Incent Adj Even FFY	93.563	-	4,856	-	4,856	4,856	
Child Support Enforcement - Indirect Cost 66% Federal Share	93.563	-	66,212	-	66,212	66,212	
Child Support Enforcement - Lab Exp 90% Federal Share	93.563	-	4,879	-	4,879	4,879	
Child Support Enforcement - All Other Exp 66% Federal Share	93.563	-	444,031	-	444,031	444,031	
Child Support Enforcement - Fees 66% Federal Share	93.563	-	(8,932)	-	(8,932)	(8,932)	
Child Support Enforcement - Lab Fees 90% Federal Share	93.563	-	(4,718)	-	(4,718)	(4,718)	
Child Support Enforcement - Performance Based	93.563	-	142,152	-	142,152	142,152	
Child Support Enforcement - Non IV-D Activities	93.563	-	1,055	-	1,055	1,055	
Child Support Enforcement - FPLS Fees	93.563	-	(1,668)	-	(1,668)	(1,668)	
Child Care Payments	93.596	-	49,535	-	49,535	49,535	
Passed Through Wisconsin Department of Administration							
Low Income Home Energy Assistance Block Grant	93.568	-	129,091	-	129,091	129,091	
Passed Through Wisconsin Department of Corrections							
Child Welfare Services Grant - State Grants	93.645	-	2,350	-	2,350	2,350	
Foster Care Title - IV-E	93.658	-	2,350	-	2,350	2,350	
Total U.S. Department of Health and Human Services		<u>(921,792)</u>	<u>8,778,136</u>	<u>13,231</u>	<u>7,869,575</u>	<u>7,869,575</u>	
<b>U.S. Department of Homeland Security</b>							
Passed through Wisconsin Department of Military Affairs							
Emergency Management	97.042	-	77,448	-	77,448	77,448	
Passed Through Wisconsin Department of Administration - Office of Justice Assistance							
Homeland Security Grant	97.067	-	194,415	-	194,415	194,415	
Total U.S. Department of Health and Human Services		-	271,863	-	271,863	271,863	
<b>TOTAL FEDERAL PROGRAMS</b>		<u>\$(923,212)</u>	<u>\$ 9,781,718</u>	<u>\$ 14,847</u>	<u>\$ 8,873,353</u>	<u>\$ 8,873,353</u>	

See accompanying notes to schedule of expenditures of federal and state awards.

**SAUK COUNTY**

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
For the Year Ended December 31, 2007

Grantor Agency / Pass-Through Agency / Program Title	State ID Number	Revenues			Expend- itures
		(Accrued) Deferred Beginning Balance	Cash Received (Refunded)	Accrued (Deferred) Ending Balance	
<b>STATE PROGRAMS</b>					
<b>Wisconsin Department of Agriculture, Trade and Consumer Protection</b>					
District Fairs	115.050	\$ -	\$ 3,220	\$ -	\$ 3,220
County Staff and Support	115.150	-	-	150,000	150,000
Land and Water Resource Management	115.400	(60,671)	60,671	168,760	168,760
Total Wisconsin Department of Agriculture, Trade, and Consumer Protection		(60,671)	63,891	318,760	321,980
<b>Wisconsin Department of Natural Resources</b>					
Recreational Aids - Snowmobile Trail and Area	370.485	-	50,100	-	50,100
Non-Point Source Grants	370.516	(102,002)	102,002	-	-
Boating Enforcement Aids	370.550	-	11,329	-	11,329
Wildlife Damage Claims	370.553	-	14,994	-	14,994
Total Wisconsin Department of Natural Resources		(102,002)	178,425	-	76,423
<b>Wisconsin Department of Transportation</b>					
Elderly and Handicapped County Aids	395.101	-	139,097	-	139,097
<b>Wisconsin Department of Corrections</b>					
Youth Aids	410.313	-	151,965	-	151,965
Total Wisconsin Department of Corrections		-	151,965	-	151,965
<b>Wisconsin Department of Health and Family Services</b>					
Fraud - Contract Cont	435.95	-	305	-	305
Funeral/Cemetery W-2 & Non W-2	435.105	-	73,469	-	73,469
Medicaid Transportation	435.131	-	44,240	-	44,240
MA Transportation Administration	435.132	-	5,530	-	5,530
IMAA State Share	435.283	-	233,097	-	233,097
IMAA Federal Share	435.284	-	2,948	-	2,948
Medicaid Subrogation Collection	435.291	-	(7,813)	-	(7,813)
COP-W GPR	435.338	-	355,967	-	355,967

See accompanying notes to schedule of expenditures of federal and state awards.

**SAUK COUNTY**

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
For the Year Ended December 31, 2007

Grantor Agency / Pass-Through Agency / Program Title	State ID Number	Revenues				Expend- itures
		(Accrued) Deferred Beginning Balance	Cash Received (Refunded)	Accrued (Deferred) Ending Balance	Total Revenues	
<b>STATE PROGRAMS (cont.)</b>						
<b>Wisconsin Department of Health and Family Services (cont.)</b>						
Children and Family Services Incentive	435.342	\$ -	\$ 155,385	\$ -	\$ 155,385	\$ 155,385
CIP II Non Federal	435.348	-	551,766	-	551,766	551,766
Foster Care Continuation	435.365	-	32,738	-	32,738	32,738
Community Options Program	435.367	-	472,279	-	472,279	472,279
Kinship Care Base Benefit	435.377	-	100,777	-	100,777	100,777
Kinship Care Assessments	435.380	-	6,970	-	6,970	6,970
Alzheimers Family Support	435.381	-	7,333	-	7,333	7,333
Temporary Family Care COP W Non Federal	435.392	-	16,271	-	16,271	16,271
CLTS GPR	435.450	-	73,882	-	73,882	73,882
CLTS MH Non Federal	435.451	-	19,860	-	19,860	19,860
CLTS Non Federal Other	435.460	-	7,797	-	7,797	7,797
Brain Injury Waiver	435.506	-	186,453	-	186,453	186,453
Non-Resident Reimbursement	435.531	-	16,402	-	16,402	16,402
Birth to Three Initiative	435.550	-	73,338	-	73,338	73,338
Basic County Allocation	435.561	-	1,392,203	-	1,392,203	1,392,203
CIP 1B	435.564	-	609,991	-	609,991	609,991
Family Support	435.577	-	22,318	-	22,318	22,318
CIP 1A	435.580	-	214,585	-	214,585	214,585
Base County Allocation - State Match	435.681	-	247,671	-	247,671	247,671
Program Integrity	435.750	-	9,266	-	9,266	9,266
Limited Agent Pilot	435.124000	-	57,488	-	57,488	57,488
WIC Farmers Market Grant	435.154720	-	1,805	-	1,805	1,805
Cons Contracts Lead Poisoning	435.157720	-	13,927	-	13,927	13,927
TPCP - WI Wins Enforcement	435.158116	-	720	-	720	720
TPCP - Com Interventions - LHD	435.158125	-	33,293	-	33,293	33,293
TPCP - WI Wins	435.158127	-	9,000	-	9,000	9,000
Cons Contracts Maternal and Child Health Services	435.159320	-	1,422	-	1,422	1,422
CYSHCN Nutrition Network Fed	435.159339	-	7,800	-	7,800	7,800
CARS Adjustments		-	(77,578)	-	(77,578)	(77,578)

See accompanying notes to schedule of expenditures of federal and state awards.

**SAUK COUNTY**

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
For the Year Ended December 31, 2007

Grantor Agency / Pass-Through Agency / Program Title	State ID Number	Revenues				Expend- itures
		(Accrued) Deferred Beginning Balance	Cash Received (Refunded)	Accrued (Deferred) Ending Balance	Total Revenues	
<b>STATE PROGRAMS (cont.)</b>						
<b>Wisconsin Department of Health and Family Services (cont.)</b>						
Passed Through AgeAdvantage Area Agency on Aging:						
Elder Abuse	435.560490	\$ (21,988)	\$ 21,988	\$ 29,988	\$	29,988
Elderly Benefit Specialist Program	435.560320	(2,653)	25,875	2,340		25,562
EBS OCI Replacement	435.560327	-	3,467	8,557		12,024
Senior Community Svs Programs	435.560330	(611)	7,954	634		7,977
Title3C-1 Cong Meal Program	435.560350	-	93,386	4,716		98,102
Title3C-2 Home Meals	435.560360	-	5,025	-		5,025
Total State of Wisconsin Department of Health and Family Services		(25,252)	5,130,600	46,235		5,151,583
<b>Wisconsin Department of Workforce Development</b>						
CS Non-IV-D Activities	445.301	-	544	-		544
W-2 Other Work Activities	445.315	-	83	-		83
W-2 TANF Administration	445.315	-	595	-		595
Children First	445.315	-	14,700	-		14,700
County Allocated Shared - All	445.315	-	56,597	-		56,597
Job Access Loans	445.323	-	(213)	-		(213)
W-2 Jobs Access Loans	445.323	-	800	-		800
Child Support Enforcement - Vital Rec Fees 34% Share	445.334	-	(167)	-		(167)
Child Support Enforcement - Unemployment Insurance Fees 34%	445.334	-	(164)	-		(164)
W-2 FSET Admin/Program	445.367	-	24,565	-		24,565
W-2 FSET - Particip Support	445.367	-	856	-		856
FSET Supplement for Program Administration	445.367	-	5,436	-		5,436
W-2 Emergency Assistance	445.375	-	1,163	-		1,163
Total Wisconsin Department of Workforce Development		-	104,795	-		104,795
<b>Wisconsin Public Service Commission</b>						
Enhanced 911 Grant	XXX.XXX	-	90,111	-		90,111

See accompanying notes to schedule of expenditures of federal and state awards.

**SAUK COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
For the Year Ended December 31, 2007

Grantor Agency / Pass-Through Agency / Program Title	State ID Number	Revenues			Expend- itures
		(Accrued) Deferred Beginning Balance	Cash Received (Refunded)	Accrued (Deferred) Ending Balance	
<b>STATE PROGRAMS (cont.)</b>					
<b>Wisconsin Department of Justice</b>					
Reimbursement for Victim and Witness Assistance Program	455.503	\$ (18,142)	\$ 39,270	\$ 23,044	\$ 44,172
Tribal Law Enforcement	455.227	-	27,994	-	27,994
Total Wisconsin Department of Justice		(18,142)	67,264	23,044	72,166
<b>Wisconsin Department of Military Affairs</b>					
Emergency Planning Grant	465.337	-	24,638	-	24,638
<b>Wisconsin Department of Veterans Affairs</b>					
County Veterans Service Officer	485.001	-	14,151	-	14,151
<b>Wisconsin Department of Administration</b>					
Land Information Board Grants	505.116	-	300	-	300
Public Benefits	505.371	-	28,349	-	28,349
Total Wisconsin Department of Administration		-	28,649	-	28,649
<b>TOTAL STATE PROGRAMS</b>		<b>\$ (206,067)</b>	<b>\$ 5,993,586</b>	<b>\$ 388,039</b>	<b>\$ 6,175,558</b>

# SAUK COUNTY

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the Year Ended December 31, 2007

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### NOTE 1 – REPORTING ENTITY

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The Schedule of Expenditures of Federal and State Awards includes all of the funds of Sauk County. The reporting entity for the county is based upon criteria established by the Governmental Accounting Standards Board.

Sauk County is the primary government according to GASB criteria, while the Sauk County Housing Authority (Housing Authority) is a component unit.

Federal and state awards received directly by the Housing Authority are not included in this report since the Housing Authority has been audited by other auditors for its grants and those amounts are reported in a separate report.

The schedule includes only those programs required to be included in accordance with the *State Single Audit Guidelines*.

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### NOTE 2 – BASIS OF PRESENTATION

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The accounting records for some grant programs are maintained on the modified accrual basis of accounting. Under the modified accrual basis, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the liability is incurred. The accounting records for other grant programs are maintained on the accrual basis, i.e., when the revenue has been earned and the liability is incurred.

The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations* and the *State Single Audit Guidelines*.

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### NOTE 3 – DIRECT PAYMENTS – STATE OF WISCONSIN

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Direct payments to individuals from the State of Wisconsin on behalf of Sauk County for the year ended December 31, 2007 include:

<u>Program</u>	<u>CFDA No.</u>	<u>Unaudited Amount</u>
Food stamps	10.551	\$ 2,606,929
W-2 benefits	93.558	<u>103,471</u>
Total		<u>\$ 2,710,400</u>

## SAUK COUNTY

### NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the Year Ended December 31, 2007

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#### **NOTE 4 – DIRECT PAYMENTS – WISCONSIN MEDICAL ASSISTANCE**

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The county received the following payments from Wisconsin Medical Assistance for the year ended December 31, 2007:

<u>County Department</u>	<u>Provider Account Number</u>	<u>Unaudited Amount</u>
Sauk County Public Health Nursing	41520200	\$ 170,530
Sauk County Health Care Center	20132500	3,662,503
Sauk County Human Services	43078900	258,373
Sauk County Human Services	43170100	234,548
Sauk County Human Services	43421900	<u>1,044,982</u>
Total		<u>\$ 5,370,936</u>

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#### **NOTE 5 – CARS-CORE REPORT DATES**

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The Schedule of Expenditures of Federal and State Awards includes adjustments through the following Community Aids Reporting System (CARS) reports as well as through the Contract Balance Report (CORE) as of December 31, 2007:

<u>Agency Number</u>	<u>Date</u>
56-034	5/01/08
56-037	5/01/08

The schedule of expenditures of federal and state awards includes adjustments through the December 31, 2007 CORE report.



# SAUK COUNTY

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2007

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### SECTION I – SUMMARY OF AUDITORS RESULTS (cont.)

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Identification of major state programs:

<u>State No.</u>	<u>Name of State Program</u>
410.313	Youth Aids
435.348/338	CIP II/COP W
435.367	Community Options Program
435.450/451/460	CLTS
435.506	Brain Injury Waiver
435.580/564	CIP 1A/CIP 1B
435.561/681	Basic County Allocation/State Match
XXX.XXX	Enhance 911 Grant

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### SECTION II – FINANCIAL STATEMENT FINDINGS

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#### ***FINDING 07-1: INTERNAL CONTROL OVER FINANCIAL REPORTING***

***Criteria:*** Statement on Auditing Standards (SAS) No. 112 requires us to report a material weakness for Sauk County if material journal entries are detected as part of the financial audit, or the auditor prepares the annual financial statements and footnotes.

***Condition:*** A material journal entry was discovered during the course of the audit and we, as your auditors, made material changes to the county's financial statements.

***Effect:*** The financial statements need to contain all of the required disclosures and account balances without material changes made by your auditors.

***Questioned Costs:*** None

***Recommendation:*** We recommend that the county put in place procedures in order to reduce the risk of material journal entries as well as determining if resources would be available to prepare a complete set of financial statements without material changes.

#### ***Management Response:***

Sauk County's auditors made one material journal entry to the 2007 financial statements. Although this is a small number, the county will expand on a procedure for more than one person to review all year end account balances and significant transactions. The county is also committed to continuing education of accounting staff in hopes of eliminating auditor corrections of financial statements and footnotes.

# SAUK COUNTY

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2007

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### SECTION III – FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AND STATE AWARD PROGRAMS AUDIT

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#### *FINDING 07-2: INTERNAL ACCOUNTING CONTROLS*

**Criteria:** Statement on Auditing Standards (SAS) 112 requires auditors to communicate circumstances that were evaluated to be significant deficiencies or material weaknesses in the county's structure of internal control.

**Condition:** During the financial audit, audit procedures and inquiries were performed to evaluate the effectiveness of controls over various transaction cycles. As a result of this new additional work we did, the following areas were identified where your controls over transactions could be improved:

- Controls over adding new vendors
- Approval of invoices
- Support and approval of payroll transactions
- Reconciliation of payroll checks and direct deposits to the payroll register
- Separation of duties between the person collecting highway receipts and reconciling to the general ledger

**Effect:** Errors or irregularities could occur as part of these financial processes that may not be discovered by your staff.

**Questioned Costs:** None

**Recommendation:** We recommend a designated person in the county review these potential controls and make a suggestion on your county's ability and cost (including time) to implement some or all of them.

**Management Response:**

The identified improvements to the county's internal controls will be reviewed. The costs of implementing improved internal control will be weighed against the potential benefits, and improvements will be made accordingly. Annual reviews of written, key internal control processes will be accomplished, with emphasis on the integrity of the systems.

## SAUK COUNTY

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2007

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#### SECTION III – FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AND STATE AWARD PROGRAMS AUDIT (cont.)

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##### ***FINDING 07-3: SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS***

**Criteria:** OMB Circular A-133 and the *State Single Audit Guidelines* require the grantee to prepare the schedule of expenditures of federal and state awards which includes the following information:

- CFDA or state program title and number
- Grant award number and year
- Name of federal or state agency
- Name of pass-through agency
- Amount of awards expended, received and accrued for the period

**Condition:** Sauk County provides a portion of the information for the schedule of expenditures of federal and state awards. However, we, as your auditors, prepared the schedule of expenditures of federal and state awards.

**Effect:** The schedule of federal and state awards may not contain all of the grants required to be reported and, therefore, some programs that are required to be audited, may not be.

**Questioned Costs:** None

**Recommendation:** We recommend that county staff accumulate all of the information required to be included in the schedule of expenditures of federal and state awards and reconcile the revenue and expenditure information to its general ledger for all programs. The schedule of expenditures of federal and state awards should be prepared by the county.

##### ***Management's Response:***

The county will consider preparing the schedule of expenditures of federal and state awards for 2008.

# SAUK COUNTY

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2007

### SECTION IV – OTHER ISSUES

1. Does the auditor's report or the notes to the financial statements include disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern? \_\_\_\_\_ Yes      X   No

2. Does the audit report show audit issues (i.e., material non-compliance, non-material non-compliance, questioned costs, material weakness, significant deficiencies, management letter comment, excess revenue or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with the *State Single Audit Guidelines*:

Department of Agriculture, Trade, and Consumer Protection	_____	Yes	<u>  X  </u>	No
Department of Natural Resources	_____	Yes	<u>  X  </u>	No
Department of Transportation	_____	Yes	<u>  X  </u>	No
Department of Corrections	_____	Yes	<u>  X  </u>	No
Department of Health and Family Services	<u>  X  </u>	Yes	_____	No
Department of Workforce Development	_____	Yes	<u>  X  </u>	No
Department of Justice	_____	Yes	<u>  X  </u>	No
Department of Military Affairs	_____	Yes	<u>  X  </u>	No
Department of Veterans Affairs	_____	Yes	<u>  X  </u>	No
Department of Administration	_____	Yes	<u>  X  </u>	No

3. Was a Management Letter or other document conveying audit comments issued as a result of this audit?   X   Yes    \_\_\_\_\_ No

4. Name and signature of partner Thomas A. Scheidegger, CPA, Partner  
Thomas A. Scheidegger

5. Date of report September 22, 2008